

HOUSE BILL NO. 5

INTRODUCED BY D. LEWIS

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING TRANSFERS FROM THE STATE GENERAL FUND TO THE DEPARTMENT OF TRANSPORTATION STATE SPECIAL REVENUE NONRESTRICTED ACCOUNT; REVISING CERTAIN TRANSFERS OF FUNDS TO THE RESEARCH AND COMMERCIALIZATION STATE SPECIAL REVENUE ACCOUNT; AMENDING SECTIONS 15-1-122 AND 15-35-108, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 15-1-122, MCA, is amended to read:

"15-1-122. Fund transfers. (1) There is transferred from the state general fund to the adoption services account, provided for in 42-2-105, \$36,764 for fiscal year 2003. Beginning with fiscal year 2004, the amount of the transfer must be increased by 10% in each succeeding fiscal year.

(2) There is transferred from the state general fund to the department of transportation state special revenue nonrestricted account the following amounts:

~~(a) \$2,873,853 in fiscal year 2002;~~

~~(b)(a)~~ \$2,916,964 \$75,000 in fiscal year 2003;

~~(c)(b)~~ \$2,960,715 in fiscal year 2004; and

~~(d)(c)~~ in each succeeding fiscal year, the amount in subsection ~~(2)(c)~~ (2)(b), increased by 1.5% in each succeeding fiscal year.

(3) For fiscal year 2002 and for each succeeding fiscal year, there is transferred from the state general fund to the accounts, entities, or recipients indicated the following amounts:

(a) to the motor vehicle recycling and disposal program provided for in Title 75, chapter 10, part 5:

(i) \$2 for each new application for a motor vehicle title and for each transfer of a motor vehicle title for which a fee is paid pursuant to 61-3-203; and

(ii) \$1 for each passenger car or truck under 8,001 pounds GVW registered for licensing pursuant to Title 61, chapter 3, part 3. Fifteen cents of each dollar must be used for the purpose of reimbursing the hired removal

1 of abandoned vehicles during the calendar year following the calendar year in which the fee was paid. Any
2 portion of the 15 cents not used for abandoned vehicle removal reimbursement during the calendar year
3 following its payment must be used as provided in 75-10-532;

4 (b) to the noxious weed state special revenue account provided for in 80-7-816:

5 (i) \$1 for each off-highway vehicle subject to payment of the fee in lieu of tax, as provided for in
6 23-2-803; and

7 (ii) \$1.50 for each light vehicle, truck or bus weighing less than 1 ton, logging truck, vehicles weighing
8 more than 1 ton, motorcycle, quadricycle, and motor home subject to registration or reregistration pursuant to
9 61-3-321;

10 (c) to the department of fish, wildlife, and parks:

11 (i) \$2.50 for each motorboat, sailboat, or personal watercraft receiving a certificate of number under
12 23-2-512, with 20% of the amount received to be used to acquire and maintain pumpout equipment and other
13 boat facilities;

14 (ii) \$5 for each snowmobile registered under 23-2-616, with \$2.50 to be used for enforcing the purposes
15 of 23-2-601 through 23-2-644 and \$2.50 designated for use in the development, maintenance, and operation
16 of snowmobile facilities;

17 (iii) \$1 for each duplicate snowmobile decal issued under 23-2-617;

18 (iv) \$5 for each off-highway vehicle decal issued under 23-2-804 and each off-highway vehicle duplicate
19 decal issued under 23-2-809, with 40% of the money used to enforce the provisions of 23-2-804 and 60% of the
20 money used to develop and implement a comprehensive program and to plan appropriate off-highway vehicle
21 recreational use;

22 (v) to the state special revenue fund established in 23-1-105, \$3.50 for each recreational vehicle,
23 camper, motor home, and travel trailer registered or reregistered and subject to the fee in 61-3-321 or 61-3-524;
24 and

25 (vi) an amount equal to 20% of the funds collected pursuant to 23-2-518 to be deposited in the
26 motorboat account to be used as provided in 23-2-533;

27 (d) to the state veterans' cemetery account, provided for in 10-2-603, \$10 for each veteran's license
28 plate issued pursuant to 61-3-332(10)(a)(ii), (10)(f), and (10)(h); and

29 (e) to the supplemental benefits for highway patrol officers' retirement account provided for in 19-6-709,
30 25 cents for each motor vehicle registered, other than trailers or semitrailers registered in other jurisdictions and

1 registered through a proportional registration agreement; and

2 (f) 25 cents a year for each vehicle subject to the fee in 61-3-321(6) for deposit in the state special
3 revenue fund to the credit of the senior citizens and persons with disabilities transportation services account
4 provided for in 7-14-112.

5 (4) For fiscal year 2002, there is transferred from the state general fund to the state special revenue
6 fund to be used for purposes of state funding of district court expenses, as provided in 3-5-901, \$5,742,983 in
7 lieu of the amount deposited by the state treasurer under 61-3-509(3), as that subsection read prior to the
8 amendment of 61-3-509 in 2001.

9 (5) For each fiscal year, beginning with fiscal year 2002, the department of justice shall provide to the
10 department of revenue a count of the vehicles required for the calculations in subsection (3). Transfer amounts
11 for fiscal year 2002 must be based on vehicle counts for calendar year 2000. Transfer amounts in each
12 succeeding fiscal year must be based on vehicle counts in the most recent calendar year for which vehicle
13 information is available.

14 (6) The amounts transferred from the general fund to the designated recipient must be appropriated
15 as state special revenue in the general appropriations act for the designated purposes."
16

17 **Section 2.** Section 15-35-108, MCA, is amended to read:

18 **"15-35-108. (Temporary) Disposal of severance taxes.** Severance taxes collected under this chapter
19 must, in accordance with the provisions of 15-1-501, be allocated as follows:

20 (1) Fifty percent of total coal severance tax collections is allocated to the trust fund created by Article
21 IX, section 5, of the Montana constitution. The trust fund money must be deposited in the fund established under
22 17-6-203(6) and invested by the board of investments as provided by law.

23 (2) Twelve percent of coal severance tax collections is allocated to the long-range building program
24 account established in 17-7-205.

25 (3) The amount of 8.36% must be credited to an account in the state special revenue fund to be
26 allocated by the legislature for local impacts, county land planning, provision of basic library services for the
27 residents of all counties through library federations and for payment of the costs of participating in regional and
28 national networking, conservation districts, and the Montana Growth Through Agriculture Act. Expenditures of
29 the allocation may be made only from this account. Money may not be transferred from this account to another
30 account other than the general fund. Any unreserved fund balance at the end of each fiscal year must be

1 deposited in the general fund.

2 (4) The amount of 1.27% must be allocated to a permanent fund account for the purpose of parks
3 acquisition or management. Income from this permanent fund account, excluding unrealized gains and losses,
4 must be appropriated for the acquisition, development, operation, and maintenance of any sites and areas
5 described in 23-1-102.

6 (5) The amount of 0.95% must be allocated to the debt service fund type to the credit of the renewable
7 resource loan debt service fund.

8 (6) The amount of 0.63% must be allocated to a trust fund for the purpose of protection of works of art
9 in the capitol and for other cultural and aesthetic projects. Income from this trust fund, excluding unrealized gains
10 and losses, must be appropriated for protection of works of art in the state capitol and for other cultural and
11 aesthetic projects.

12 (7) (a) Subject to subsections (7)(b) and (7)(c), all other revenue from severance taxes collected under
13 the provisions of this chapter must be credited to the general fund of the state.

14 (b) The interest income from \$140 million of the coal severance tax permanent fund that is deposited
15 in the general fund is statutorily appropriated, as provided in 17-7-502, on an annual basis as follows:

16 (i) \$65,000 to the cooperative development center;

17 (ii) \$1.25 million for the growth through agriculture program provided for in Title 90, chapter 9;

18 (iii) to the department of commerce:

19 (A) \$125,000 for a small business development center;

20 (B) \$50,000 for a small business innovative research program;

21 (C) \$425,000 for certified communities;

22 (D) \$200,000 for the Montana manufacturing extension center at Montana state university-Bozeman;

23 and

24 (E) \$300,000 for export trade enhancement;

25 (iv) \$350,000 to the office of economic development for business recruitment and retention; and

26 (v) \$600,000 to the department of administration for the purpose of reimbursing tax increment financing
27 industrial districts as provided in 7-15-4299. Reimbursement must be made to qualified districts on a proportional
28 basis to the loss of taxable value as a result of Chapter 285, Laws of 1999, and as documented by the
29 department of revenue. This documentation must be provided to the budget director and to the legislative fiscal
30 analyst. The reimbursement may not be used to pay debt service on tax increment bonds to the extent that the

bonds are secured by a guaranty, a letter of credit, or a similar arrangement provided by or on behalf of an owner of property within the district.

(c) ~~Beginning~~ For the fiscal year beginning July 1, 2001, there is transferred ~~annually~~ from the interest income referred to in subsection (7)(b) \$4.85 million to the research and commercialization state special revenue account created in 90-3-1002. For the fiscal year beginning July 1, 2002, there is transferred from the interest income referred to in subsection (7)(b) \$3.165 million to the research and commercialization state special revenue account created in 90-3-1002. For the fiscal year beginning BEGINNING July 1, 2003, there is transferred ANNUALLY from the interest income referred to in subsection (7)(b) \$3.65 million to the research and commercialization state special revenue account created in 90-3-1002. (Terminates June 30, 2005--sec. 10(2), Ch. 10, Sp. L. May 2000.)

15-35-108. (Effective July 1, 2005) Disposal of severance taxes. Severance taxes collected under this chapter must, in accordance with the provisions of 15-1-501, be allocated as follows:

(1) Fifty percent of total coal severance tax collections is allocated to the trust fund created by Article IX, section 5, of the Montana constitution. The trust fund money must be deposited in the fund established under 17-6-203(6) and invested by the board of investments as provided by law.

(2) Twelve percent of coal severance tax collections is allocated to the long-range building program account established in 17-7-205.

(3) The amount of 8.36% must be credited to an account in the state special revenue fund to be allocated by the legislature for local impacts, county land planning, provision of basic library services for the residents of all counties through library federations and for payment of the costs of participating in regional and national networking, conservation districts, and the Montana Growth Through Agriculture Act. Expenditures of the allocation may be made only from this account. Money may not be transferred from this account to another account other than the general fund. Any unreserved fund balance at the end of each fiscal year must be deposited in the general fund.

(4) The amount of 1.27% must be allocated to a permanent fund account for the purpose of parks acquisition or management. Income from this permanent fund account, excluding unrealized gains and losses, must be appropriated for the acquisition, development, operation, and maintenance of any sites and areas described in 23-1-102.

(5) The amount of 0.95% must be allocated to the debt service fund type to the credit of the renewable resource loan debt service fund.

(6) The amount of 0.63% must be allocated to a trust fund for the purpose of protection of works of art in the capitol and for other cultural and aesthetic projects. Income from this trust fund account, excluding unrealized gains and losses, must be appropriated for protection of works of art in the state capitol and for other cultural and aesthetic projects.

5 (7) All other revenue from severance taxes collected under the provisions of this chapter must be
6 credited to the general fund of the state."

7

8 NEW SECTION. **Section 3. Effective date.** [This act] is effective on passage and approval.

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10 NEW SECTION. **Section 4. Retroactive applicability.** [This act] applies retroactively, within the
11 meaning of 1-2-109, to transfers in fiscal years beginning July 1, 2001.

12 - END -